

ConocoPhillips Response to ACER Consultation Paper discussing a common schema for the disclosure of inside information (PC_2015_4_03)

Question 3:

Would you change any of the descriptions, accepted values or applicability? If so, please explain your reasoning. Are the schemas or values that you are suggesting based on any industry standard? Which one(s)?

Answer:

Field 14: Decision time (gas and electricity capacity and 'other')

In the case of planned outages, market participants often undertake a great deal of planning before deciding when to schedule planned maintenance. As a consequence, it is not always possible for market participants to determine the precise moment at which the decision to undertake a planned outage was actually reached. If the decision time field requires a precise time of the decision down to the nearest second, we believe that this will cause difficulty for market participants in populating the field effectively.

It is our opinion that firms should be allowed to provide a date, or date range for the decision time field. In addition, the requirement to provide the decision time in hours and seconds may not be useful in relation to many REMIT UMM publications. We instead propose that Field 14 should be free text so that firms are not obliged to submit non-relevant date and time information.

Field 12/b: Nominal Capacity (gas capacity)

The description of this field states that the nominal capacity is the maximum net sustained (flow) capacity that the asset can produce/transmit/store/consume throughout a long period of operation in normal conditions. It is not clear to us what constitutes a "long period".

Furthermore, it is our opinion that the nominal capacity field does not provide any additional information that cannot be derived from the available capacity and unavailable capacity fields and therefore that ACER should consider its deletion.

Field 15 - Event Start

It should be noted that in the case of certain planned outages, the event will not have a clear start date until close to the commencement of the outage. For example, in the case of the movement of a rig, due to a variety of technical reasons, the timing of the event is not normally known until the event actually starts.

As such, it is our opinion that ACER should not require firms to provide an exact event start time in ISO 8601 format, since the precise time, and perhaps even the precise date may not be available when the initial REMIT UMM publication is made (often far in advance of the actual event taking place). In such circumstances, we recommend that firms should instead be permitted to provide a date or approximate period (e.g. June 2015, etc), and should not be required to provide a specific time in hours and seconds. Further precision can then be provided by the market participant as the timing of the event becomes more certain.

Field 20: Impact on carbon permit prices (gas and electricity capacity and 'other')

We welcome that ACER is seeking to avoid double-reporting as a consequence of the disclosure requirements under Article 17(2) of MAR.

However in our view, gas production outages are highly unlikely to ever have an effect upon the price of EUAs, Gas production outages are neither sufficiently large in volume, nor sufficiently long in duration to have any impact upon the price of EUAs. We urge ACER and ESMA to consider whether it is worthwhile to impose this publication requirement upon firms in relation to their gas production activity when in practice firms will not be in possession of inside information in relation to the emissions market.

Unit of measurement (referred to in Fields 10/b, 11/b and 12/b)

The Consultation Paper proposes that all firms should publish outages with measurements in MWh/d. This approach is contrary to current practice in the UK where gas market participants currently publish REMIT notices in MCM/d. The reason the existing approach is because technical staff at producing firms generally use MCM/d as a measurement in their daily jobs and are best able to determine whether an outage is material based on this unit of measurement.

Changing the unit of measurement to MWh/d will require a more onerous conversion for staff and will make it more difficult for them to determine whether an outage is material by virtue of using a non-standard means of measuring outages. Furthermore, market participants are already familiar with publication in MCM/d format.

We do not perceive any value in imposing an single unit of measurement across the EU and instead urge ESMA to allow individual markets to continue to use measurements that are commonly used.

Further Comments

If you have any further comments or questions on this consultation response, please contact [REDACTED]